

**COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE  
ADMINISTRATION**

**March 18, 2003**

**4:30 PM**

Chairman Shea called the meeting to order.

The Clerk called the roll.

Present: Aldermen Shea, Guinta (late), Smith, Lopez

Absent: Alderman Thibault

Messrs: Tom Arnold, Kevin Clougherty, Randy Sherman, Sharon Wickens,  
Joanne Shaffer, Steve Tellier

Chairman Shea addressed item 3 on the agenda:

3. Communication from Guy Beloin, Financial Analyst II, submitting the City's Monthly Financial Statements for the eight months ended February 28, 2003.

On a motion of Alderman Lopez, duly seconded by Alderman Smith, the item was moved for discussion.

Alderman Lopez stated the only thing I got is the listing of invoices submitted to the City Solicitor for legal determination. Mr. Sherman stated the pages in the agenda are mis-numbered. This is actually item 2 in your agenda if you look at the pages. Alderman Lopez asked what do you want to do on that? You have a question about that. Mr. Sherman well I will tell you about item 3, which is labeled as item 2. Departments are holding the line on expenses. We don't see any problems there. I think we probably have finally gotten over the hurdle with the winter, and what I would say as far as the revenues go, I'd actually have you wait to discuss revenues until we get down to item 6 when we can talk about the projection.

Alderman Smith asked, on the Contingency Fund, is there a \$100,000 left in it right now? Because I know there's going to be an agenda tonight. Mr. Clougherty answered yes and it would be best to wait until we get to item 6.

Alderman Lopez stated we can accept that until we talk to revenues, if it's OK Mr. Chairman.

On a motion of Alderman Lopez, duly seconded by Alderman Smith, it was voted to accept the statements.

Chairman Shea addressed item 4 of the agenda:

4. Communication from Sharon Wickens, Financial Analyst II, submitting reports as follows:
  - a) department legend;
  - b) open invoice report over 90 days by funds;
  - c) open invoice report all invoices for interdepartmental billings only;
  - d) open invoice report all invoices due from the School Dept. only); and
  - e) listing of invoices submitted to City Solicitor for legal determination.

On a motion of Alderman Smith, duly seconded by Alderman Lopez, the item was moved for discussion.

Alderman Smith stated on page 5, Riverfest, I know it's outstanding debt and I have been going around and also to over waterworks, and so forth like that, I know that there's a private party or somebody that wants to take over this venture.

Mr. Clougherty stated he thought this was going to be discussed under item 7. Chairman Shea said that would be fine.

Alderman Lopez stated in reference to the CIP project, bonding projects, you reviewed all these projects. Do you have any recommendations? For an example, I look at 1999 project of the implementation of visitor's signage, \$39,000 there and I know that the fire department is looking...oh these numbers are mixed up. Why don't you guys guide us.

On a motion of Alderman Smith, duly seconded by Alderman Guinta, it was voted to accept the reports.

Chairman Shea addressed item 5 of the agenda:

5. Communication from Randy Sherman, Deputy Finance Officer, submitting the City of Manchester's Monthly CIP/Federal & State Revenue report for the eight months ended February 28, 2003.

On a motion of Alderman Guinta, duly seconded by Alderman Smith, the item was moved for discussion.

Mr. Sherman stated my concern on CIP... We haven't had anybody for a couple of months actually staying on top of these projects. We've got somebody in now. We've been able to fill the vacancy. This is really a compilation where they've just caught up and put the balances. One thing that you'll see on this report, there are projects that might look like their overspent. It looks like they may not have collected some of the revenues. The individuals now going back and catching up on these. What I'd like to bring to the Committee's attention on this report, is on the last page of the report, which in this agenda would be the page right before the first page marked item 5. Which is the letter from Joanne Shaffer. It's actually title Bond Project Balances as of February 28<sup>th</sup>, it's page 2. It's the last spreadsheet before the first page marked item 5. The last one marked 4. My concern on these is, these are all bonded projects. Under IRS regulation we really have three years to expend bond balances. Now, as everybody knows with the IRS there are exceptions to every rule, but we are currently undergoing an IRS audit on one of our bond issues, to find out if we were in compliance with all of the IRS regulations. On this last page are all bonded projects that are over three years old. The ones at the top were sold in fiscal 2000, and if you go down to the last category, there are some projects in there that go all the way back to 1994. We need to get these bond balances spent; one way or the other. I almost think what this Committee may want to do is refer this up to the Board and get a referral over to the CIP Committee, so the CIP Committee can look at this and figure out how they can expedite the expenditure of these balances and maybe deal with it. Or if you want we can again bring in all of these departments into this Committee and we can deal with it here. But one way or the other we've got to handle these projects. This actually totals over \$2 million. That again, according to the IRS regs, really should be spent at this point.

Alderman Lopez stated to Mr. Sherman, I agree with what you're saying. What would be wrong in saying all the bond balances as of this date will be reallocated unless could be justified by a certain date and that coming back to this committee to make a recommendation. Because I don't know what the rules are of the game as far as whether or not, for example 1997 you have all that bonding money. What do we do? Are we obligated or can we get an extension? Is it worth getting an extension for another year or... As far as I'm concerned I'd sooner use all the money and transfer to other places that we need it.

Mr. Clougherty replied if you don't spend it, technically the IRS regards this money that you're earning interest on it at their expense, and you've got to pay an arbitrage dollar. The incentive is to get these reallocated. Typically I think Randy is recommending that it goes to the CIP because it's the CIP Committee that normally does the programming of these bonded projects. And what they may want to do is say, all right we'll allocate some of these current balances to some of the more current bond projects. So this will be the first money spent and work it out that way. But if you have two different committees going at this, there may be some confusion.

Alderman Lopez continued I'm just a little confused. If we did that, go to CIP, we have enough information. You take for example the city computer system upgrade you still have \$308,000 in there. If the CIP Committee just took that money on a recommendation that we've got to spend it, that's what I hear you saying. Are we going to hurt them, or should we call them in and they can justify or get the money spent on projects that are committed. Mr. Sherman replied I think you would want to call each department in, but they have to have a specific plan on how this is going to be spent in the short term. They can't say well it's there and we're going to have it spent over the next three years. This is '98 money and it should have been spent two years ago. If the departments are going to hold the money, they need to give us a plan, a specific date on when it's going to be spent. Ultimately if you want to take these dollars and move them to other projects, the only real rule of thumb that we have is that it has to be of similar life, so I can't take a 20-year bond balance and use it on a five-year project. Because I'm paying debt service over 20 years. So the life can't have expired. But we can deal with CIP and staff on that issue on the life of each one of these. But whether it's the committee or CIP Committee, action really does need to be taken to move these balances along.

Mr. Clougherty added however because the Board approved all of the bonds back when, and we issued them with the understanding that the projects needed the money for that time period.

Alderman Smith followed up, I'm looking down this list and I see 1994 Wilson's School. These are all...I don't know what's happening but you would suggest to us have it go to CIP and bring in the individual departments, so then we can find out what the situation is from there. Mr. Sherman responded if you look at that project and look over to the right hand column, they haven't spent any money on that since 1998. And it's just sitting there. Mr. Clougherty stated there may be that there's some type of court case or something that meets an exception under the IRS, but we're not aware of that. Somebody has to tell us there's a reason that's sitting there. And if there isn't a qualified reason, then that money has to be reallocated. We have to use that for something else.

Alderman Guinta asked what would be your advice in terms of our timetable within which we need to have this resolved? Mr. Clougherty responded yesterday. This really needs to be referred and acted on... Alderman Guinta stated ultimately if you could do something before you're adopting your CIP budget, you may be able to offset or get more projects done next year than you were anticipating. Personally I'd feel more comfortable in finding out from each department where these projects are and if they meet any of those criteria, and if they don't, I have no objection sending this to the CIP. But I don't see any reason why we couldn't send it to the CIP for the Board's recommendation.

Mr. Clougherty asked would you like us to schedule a meeting in the interim rather than waiting for our next regular scheduled meeting, and for this purpose?

Chairman Shea replied yes.

Mr. Clougherty asked would it be OK if we invited Bob McKenzie to be here just so that in fairness he can hear what's going on. He has some good input on some of this stuff too.

Alderman Lopez asked I just want to make sure some type of communication goes out indicating that all of these balances are going to be turned over to CIP and whatever criteria that the financial officials come up with, for the department heads to answer so that when we take their money and give it to CIP that we're fully well aware of what we're doing. Mr. Clougherty replied OK. Alderman Lopez stated I think that a special meeting at the Chairman's convenience with them is OK. Mr. Clougherty said we'll try to schedule something maybe for next week.

Alderman Guinta asked the current funding for the senior center project, where does that stand? Mr. Sherman stated I'm don't have the numbers and I'm probably not going to get them right, but... Alderman Guinta asked how much money is out there and where is it? Mr. Sherman replied there is some bond money. I believe there was also some form of a grant and again I'd have to go back and look at it. Initially I think we were looking at raising about \$300,000. As Joanne pointed out there's \$2.4 million in bonds. Again, I think that there was other money, grant money. But initially we were looking for about \$300,000 to go out and fund raise and I believe at this point we're talking closer to \$600,000 to \$700,000 to go out and raise.

Alderman Guinta continued let me give you a hypothetical. The total project is estimated somewhere around \$3 million? Alderman Lopez replied \$3.4 million. Mr. Sherman stated actually I thought it was over \$3 million. Alderman Guinta asked is that bonded? Do we have an idea of how long that bond is? Is it 20 years? Mr. Sherman answered we did a 20-year bond on that. But that's only for \$2.4 million of that. Alderman Guinta answered right. What happens if, for example, we decide that

we're not going to do the project...say we're not going to build the senior center anywhere. What happens with the \$2.4 million? Mr. Sherman replied the \$2.4 million we actually have not sold yet. So, if the Board at this point decides no we're not going to do a senior center, we'll just never sell that bond. Now, once we've sold it and then you make that decision we would have to take that balance and move it to another project. Alderman Guinta asked so if we don't sell the money for the bond, that money can go back...we can use it for anything. Mr. Sherman replied effectively there is no money. What you have then is capacity that you could put to another project.

Alderman Smith asked for follow up. In regards to a senior center, there's already been approximately \$12,000 spent. Where did that come from? Mr. Sherman answered again, once you authorize a project they are authorized to spend...the timing of the sale of those bonds really is almost irrelevant to the departments. So what we would have to do, if we decide not to sell that bond, we would have to take that \$12,000 and charge it to some place else. Now, that I also know that I believe they closed...these are our February 28<sup>th</sup> balances, I do believe they closed on one of the properties last week. Mr. Sherman asked Mr. Arnold was that about \$300,000, \$275,000 or something like that? Mr. Arnold answered yes. Mr. Sherman continued so that the \$12,000 is closer to \$300,000 at this point.

Chairman Shea asked is there any possible way that any of this bonding, my understanding of this, to reduce the tax rate. Is there any way to do that? Or is that just simply not possible because these are bonds that obviously as you said before have to be sustained? Mr. Clougherty replied we tried to reduce it all through refinancing as the market allows for that. That certainly cuts down on the interest and principle that we pay, but without going back into fees and some of these, or rescinding some of the ones that have not been issued yet, that's the only way to do it. Alderman Shea asked that would be a savings, right? If you could transfer somehow some of this onto an existing... Mr. Clougherty replied if you've got a project that was approved, and you authorized bonds for it, and that project is not going forward, and you're not going to do the project, then we'd rescind the bonds. But that would be...but understand when we issue the bonds, you don't start making payments until about a year later and that shows up in your operating budget debt services line items. So there's no impact for any of those projects that have been issued...that are authorized but unissued to date. Mr. Sherman added the only other way you could do that is if you could find something in the operating budget that was a bondable item. I know a few years back the school department was leasing all of their portables, and we said it's actually cheaper for us to issue the bonds. Go out and buy them and take that lease payment out of the operating budget. So if you could find something like that, there's that possibility as well.

Alderman Lopez stated even though the \$2.4 million bond...I think it was about \$3.2 we have in the senior center fund. But A-there's supposed to be a complete report given to the Board of Mayor and Aldermen on the senior center. How much money we spent, because the architect, you spent there, you bought the buildings over there. So there's a lot of money that has been spent. I don't want to mislead the Alderman from Ward 3 that the \$2.4 million is still there. Because the financial aspects as you indicated...once you approve something you might not spend the bond, or issue the bond, but the money is still there being spent. I think until we get all the facts I don't think you want to say we have X number of dollars. And to answer your question, David Nixon is the Chairman of raising that money, he is going to raise \$700,000 to \$1 million on it. I just wanted to add that in there. Until we get the report that's been requested by the full Board, I think we should just hold on.

Chairman Shea asked for a motion for item 5.

Alderman Guinta moved to table item 5, duly seconded by Alderman Lopez. Alderman Lopez responded no. If I understand we're talking about the bonding. Chairman Shea replied the motion to table would be to have all the departments come in and explain about the bonding before we do anything else. Alderman Lopez replied OK, to this committee.

On a motion of Alderman Smith, duly seconded by Alderman Lopez, it was voted to table item 5.

Chairman Shea addressed item 6 of the agenda:

6. Communication from Joanne Shaffer, Second Deputy Finance Officer/Treasury Manager, submitting the revenue forecasts, by department, for the current fiscal year.

On a motion of Alderman Smith, duly seconded by Alderman Guinta, the item was moved for discussion.

Alderman Guinta stated I don't have your report in my agenda. OK I do have it. Am I reading this correctly? Is this some source for concern? Joanne Shaffer it is ultimately if you're going to have a revenue forecast. Mr. Clougherty added what we had talked about with the Aldermen at the last meeting was that we see the revenues of the general fund trailing down. And we are concerned about and we said we want to take a look at that because, just like with the federal economy...we've gone through hard winter. And we've seen the period of January and February, things slow down with car sales and everything nationally. And there's some thought that maybe we'll see a rebound as the weather gets nicer over the next couple of weeks. What Joanne has

done here has said that's all well and good, but if that doesn't happen, where do you end up. Now what could you conceivably be looking for a problem down the road? And in anticipation of that should we be making a recommendation to you to take some type of corrective action.

Alderman Guinta stated I'm not sure that I completely understand the first page of the letter. It provides a total sum of the shortfall in the first paragraph. It's itemized underneath. Mr. Clougherty replied if you just take all the losses and the big numbers that are contributing to those losses are the cable franchise fees, interest income, sales on assets, and health and heart reimbursements. But then there are other things that are performing even better and some adjusts that have to be made...Alderman Guinta asked so that how we get to the \$2.1. Mr. Clougherty replied to the \$2.1, saying that the \$2.1 at the end of the year where you could end up if we don't see a recovery based on some of the actions.

Alderman Guinta asked what's the sale of capital asset? Ms. Shaffer said that was the sale of the garage. You'll remember when the budget was being done last spring. Alderman Guinta asked we kept that in? Mr. Sherman replied it's in your original budget, which Joanne has on her spreadsheet, but what she's saying in the letter is, that's not of concern. It shows a negative 750, we're going to be short, but when we did the property tax setting last fall we took that into account and we adjusted for it. So that's really what she's saying. Because if you look at the report, it adds up to \$3.3 million shortfall, but the health audit isn't a concern because that's offset by an expense that we don't spend, and the 750 we've already adjusted for. That's how we get down to...it's really a \$2.1 million nut that we're trying to focus in on. Alderman Guinta stated we're looking at the \$440,000 and the \$920,000 but that doesn't add up to \$1.2. Mr. Sherman replied no, those are the two largest, and again if you go through the report you'll see there's \$40,000 here and \$10,000 there, and some are up and some are down, but what they are would add up to that \$2.1 million. Alderman Guinta asked is that franchise fee a collection problem or is that just we anticipated it at. Ms. Shaffer replied that's just a change in the law that I think was effective last May or there about. I think that when we probably had the budgetary number in at \$1.4 million plus, I don't think it really came to light that that meant that we were going to have a deficiency with cable franchise fee collections until after the fact. One of the big items there that we're not collecting on anymore is Internet access. I think, and Tom Arnold will back me up on that, per an FCC change it was determined that internet was informational and consequently we could not collect the five percent franchise fee on that. Alderman Guinta asked didn't that come before this Board? Ms. Shaffer replied I think it probably did in committee around that time, but I don't think that people at that time probably realized what the affect it was going to have on the decrease in the revenue for the immediate future. Alderman Guinta stated OK this is the essentially the first test...Mr. Sherman replied this is the fallout from that. And the other thing I think you lost on the cable was the revenues from the shopping channels.



We used to, again, get a percentage of that, that we don't get anymore. Ms. Shaffer noted it doesn't seem like much maybe on a monthly basis, but when you add \$20,000 to \$30,000 over the course of a year, it's \$360,400 and that's basically what will account for the deficiency that we're going to be experiencing.

Alderman Guinta asked following up to the bonding question before, we cannot use any bonding money...can we use any of the \$2 million that we're looking at that we need to reallocate and not use any of that money to reduce our revenue shortfalls or to enhance our revenue stream. We have to appropriate those to other projects. Mr. Clougherty replied right. That would be on the expense side. Now one of the things you'll look at is can you reduce your expenses...Alderman Guinta added by using that \$2 million. Mr. Clougherty continued that's the point Randy was making earlier. Alderman Guinta added we could reduce by maybe close to 40 cents. Mr. Clougherty stated the problem you have is that you don't have a lot of long term capital activity in the operating budget that you can...you might find some relief there, but... Alderman Guinta stated at this point if we don't...if this shortfall stays at \$2.1, that's an estimated 40 cents on the tax rate. Mr. Clougherty replied yes, but that's on the revenue side. But you also have to look at how you're performing on the expense side. And I think that's the point Randy was making earlier, that the departments are performing well. Alderman Garrity asked how is highway? Are they meeting their... Mr. Sherman replied highway's actually doing OK. They survived...I mean we don't feel that they're going to need a supplemental budgets. Frank is going to stay within his appropriation. They've had to juggle some dollars around to cover overtime and whatnot, no he's going to be OK. Alderman Guinta asked but if expense side...if we meet our expectations on the expense side, and we are at a shortfall on the revenue side by \$2.1, we've got a problem. Essentially to clear up this \$2.1 from an expense standpoint, we need to find \$2.1 in savings. Mr. Sherman replied but this is where the revenue stabilization fund would come into play. If we have a shortfall in our revenues, and we don't have sufficient savings on the expense side to offset it, so in essence we run a deficit for the year, that's where we could then tap that rainy day fund. Alderman Guinta asked however, didn't we have bond counsel who... Mr. Sherman replied what bond counsel said was don't use it at the beginning of the year to reduce your property taxes. Alderman Guinta said but we could use it at the end of the year to... Mr. Clougherty added that's what it's designed for. Mr. Sherman added it's designed to cover these rainy days with the revenues. Alderman Guinta asked that does not have a negative affect on our bond rating, bonding capacity, or bond rating? Mr. Clougherty answered no, because what's happening is you're using it for the purpose for which it was intended. And your not hitting it for...I think when you're all said and done it's not going to be a large amount of money that we're going to tapping into this for. Alderman Guinta asked if there was an intention to tap the rainy day fund? Ms. Shaffer answered no. Alderman Guinta stated today is the 17<sup>th</sup> of March. We're going to have a budget presentation by the end of the month. Is there an expectation that we're going to have to hit...Mr. Clougherty replied no, I think

what you're trying to do is avert that, but by the same token you don't want to go in and start cutting department unnecessarily. I think that as we said, Joanne's numbers here are very conservative and we still are operating on the expectation as the national economy. And it is that there is some pent up demand in consumers for automobiles, which translates into auto registrations and things like that, that we will see in the next few months. Alderman Guinta stated it sounds like in this budget process though, this issue is from what I'm hearing. Mr. Clougherty asked in current year's, or the Mayor's proposed for next year? Yes, we have talked to him about it. We're the usually the first ones to come into you and say there's going to be a shortfall here. Take corrective action and cut the department budgets and we feel you're going to be close this year. You cut the departments as part of the original budget, as part of the tax rate setting we had to go back and do another, we think that even with that, they're going to be OK, and still generate some savings. At this point I think we think you're going to be about even.

Alderman Smith stated Kevin I notice one shortfall, and I would imagine it's because there's no meters, in regards, we don't charge on Saturday and so forth. I notice that figure is \$162,000 some odd. Ms. Shaffer asked this is on the traffic department that you're speaking about? Alderman Smith replied yes. Ms. Shaffer they're expected to be somewhere in the vicinity of \$400,000 off.

Alderman Smith asked and while we're on the subject, if I may, I was wondering if we could get the assessors up afterwards, because I like to know exactly dollars and cents where we stand right now. Because we have figures thrown at us and they change abruptly from month to month and I want to find out really, what their situation is. I know they were asking for people to do a reval and so forth, as you know I'm very concerned about the assessing, both on the commercial and residential. Chairman Shea replied they are here and I think they'll be available.

Alderman Lopez stated I just want my own clarification. I understand the \$2.1, with the three items and it's a wash in the health. But when you come to \$3.361 as a total shortfall, has the other portion been taken care of and we're only concern with the \$2.1? Ms. Shaffer answered yes, actually that's what this letter is trying to explain. Because the \$500,000 for the health audit reimbursements is offset by an unexpended expense appropriation. Those offset. Alderman Lopez asked but where the revenue's not coming in from the others, as you indicated here, like the auto registration, you're just anticipating the shortfall there. There's a possibility these people will come in with that. Ms. Shaffer replied that's correct. Alderman Lopez added understanding that, has there been a recommendations that you've given to the Mayor, or has he instituted any policies, such as, I know Governor Benson said no more out of town to save some money. Has any institution that you know of as the finance people been...Mr. Clougherty replied the Mayor has met with the department heads. Has explained to them the situation, and said that he would like to see them exercise some

caution in the way they spend through the end of the year. Understanding the situation, understanding that we have a period here where we have some uncertainty with some of our major revenues like auto registrations. Until we see that come back up, or if we still see it turning down, department heads should be reviewing all of their expenses and making every effort to help generate fund balances here. So that has clearly been communicated to the departments. Alderman Lopez stated only communicated, but no directives have been given. Mr. Clougherty replied he has not sent a formal directive. Alderman Lopez said I'm just looking at...it should be maybe a directive from the Aldermen of the elimination of all out of town travel. For an example, to save money. Just off the top of my head I could think of other things. Maybe some of these vehicles shouldn't be going home or out of town any more. Government vehicles could save on gas and stuff like that. I know it's up to department heads, but if no directive is given to where you stop these things, you're not going to save. I just wanted to make sure that there was no directive before any type of recommendation would come forward to save some money as we go along in this process. Mr. Clougherty stated no, there has not been a formal directive from the Mayor's office to the departments requesting them to meet a particular target. For example, when we've had these issues before, we would come forward to the Board and say we think you need to cut a certain dollar amount in order to balance. Again, we think you're going to be close on this particular year, with on balance, if not better and we're not advocating that right now, because we want to see services continue.

Alderman Guinta stated we have three months left in the year. So at what point would we issue a directive, if not now? Because I don't...unless I'm misinterpreting what you're saying, it sounds like you're fairly comfortable we're going to be OK. However, if we're not, the alternative is to utilize the rainy day fund. And I think the policy should be let's try to prepare to not use the rainy day fund, but at what point do we do that. We only have 90 days, 100 days left in the year. At what point would we issue a directive? If it's to me, it sounds like now would be the time. Mr. Clougherty responded as I said, I think the Mayor has talked to the department heads and has told them of this situation and has admonished them to be careful in their spending. To not be authorizing items, and he is taking a look at transfers. As you know anything that has to be transferred goes before him. So I think he is reviewing those. Alderman Guinta stated that doesn't answer my question. Mr. Sherman added I guess the other thing I'd say though, if you look at the expenses and where the departments are right now, and again this is only through the end of February, they actually have more of their budgets left this year than they had last year. At the end of last year, departments turned back almost \$3 million. So I think at this point, that's why we're saying is, if we can get that type of turn back from the departments this year, we'll actually have more saved on the expense side than we're going to be short on the revenue side. So rather than give them some type of directive that's going to turn the screws on them even tighter, after they've been cut twice already, I think the Mayor feels comfortable after certainly consultation with us that it's not time to do that yet. We just need to

wait it out and see, maybe another month. Get the projections a little bit better. See if the auto registrations do turn around in March. If we can get the \$3 million or 66% of that \$3 million, if Joanne's revenues are right, we're at breakeven. So why at this point go in and issue directives and cut back departments again, especially where you know that the '04 budget's going to be tight on them, or even tighter on them than it is. Alderman Guinta stated that's my concern. We don't have budget numbers until the end of March. By the type we meet again in April, if auto registrations don't increase, if some of these things don't happen, then we're in a situation where is the directive too late. I sympathize with the departments. From all accounts over watching last year, they've been doing a great job, and I recognize it's hard to go back to the same well again, and again, and again, and I think that's what we're doing. However, I feel there needs to be some sort of restraint exercised. What I'm hearing what we're going to get at the end of March in terms of a budgeting feel, it's going to be a problem for me. It's going to be a problem for a lot of taxpayers and I don't want to put something like this on top of that proposal. That's really where my concern is. If we do this in 4-6 weeks, do we have enough time at that time to obtain the savings that we're going to need in that short amount of time. Maybe there really isn't an answer to that. It sounds like we've more hunches and hopes than anything.

Chairman Shea asked would you entertain a motion something on the line that we're asking all departments to do something, for instance, restrain their spending.

Alderman Guinta stated I'm comfortable with putting something in writing, because if the Mayor doesn't agree, the Mayor doesn't agree. I think it could certainly come from the Board and if the Mayor objects, then he can make his objection public.

Chairman Shea stated basically what you're saying is you're looking at the figures here and you're feeling uncomfortable with fact that there's a large amount of shortfall. Alderman Guinta responded then again, I think the department heads are doing a great job with the obstacles that we have provided them. Alderman Shea asked would you want to wait until the end of March or do it now. What is the consensus of or the thinking of the Board?

Alderman Lopez stated I've got a question I'd like to ask Randy first. You say that last year they turned back \$3 million at the end of the year, which took care of things. I believe the department heads do good in that rate. Are we expecting more revenue this year in comparison, this is my fourth year on this committee, this is the first time this is brought forward to us as a concern. What is your professional opinion as to what we did wrong, maybe, if we did, or do we miscalculate something by increasing more revenue for department heads to lower the tax rate? Or what? Mr. Clougherty replied I think revenues are always your best estimate at the time, Alderman. I think in the past there have been times where the Board maybe got ambitious in some of the numbers, but the last year or so we've been trying to get the Board to keep a level feel on revenues. We think that we're in a 1970's style economy and that's going to trend for the next 2-3 years. Mr. Sherman added then again, the biggest revenue shortfall

you have is in interest income. Three years ago your interest income was close to \$3 million. Now that's dropped all the way down to \$1 million now. There's nothing that the Board could have done to anticipate that the rates were going to be where the rates were going to be. Our cash collections are good. We've got more cash coming; as the budgets increase you always have more cash in and out through the City. Then again there's nothing you could have done to predict that. The one that I think that we talked about earlier with the cable, maybe something was missed there and we should have caught that sooner, but besides that, it's the economy. Mr. Clougherty stated our economy is doing much better than other places. Our economy is not falling off to the level that we see a lot of other states and a lot of the other cities to the south. So, again we think that we're...everything is relative. It's your market share compared to the Boston's and the Washington, DC's, even at even. We're in much better shape than those other cities. Alderman Lopez added I have to agree with you because I've been on the Internet looking at some other cities, and we are in better condition than some cities I've looked at. I wouldn't want to just arbitrarily make a directive unless I know that if you as the finance officials are saying that OK we can go another month, and if there's any directive that you would like to see maybe in the future, in order to save money or expenses or get revenue, then I think that ought to be brought forward. Mr. Clougherty stated again I think the point that of Alderman Guinta's, April 1<sup>st</sup> you get the Mayor's budget, so you know what he's forecasting and what he's looking for in terms of the March numbers at the completion of March. So at the beginning of April, you've got all of April, May and June to make adjustments if you feel you need to do something definitive.

Alderman Smith stated but right now the figures we have are roughly for eight months. Right? Ms. Shaffer answered yes. So, we're going to anticipate more revenue so \$2.1 million could conceivably come down. Mr. Clougherty replied the problem isn't that you're revenue isn't growing, it's just not growing up to the expectation of the budget. Year over year your numbers are going, they're just not growing as fast or as ambitious as the budget forecast. Ms. Shaffer asked if I could just add something to that would further illustrate what Kevin's saying. On this page in your agenda that says 2 at the bottom for item 2 and then page 6, this basically tells you what the comparative revenues are that you have collected this year versus last year. And if you'll look at the 5<sup>th</sup> and 6<sup>th</sup> column over, it shows you eight months actual for fiscal year '02. You're showing \$20,015,000. Now eight months actual for fiscal year '03 is \$25,787,000. And I think that's the point we're trying to make is that you are collection more revenues than you did collect last year except you that you are not going to reach budgetary expectations, the rise in revenue collections is not similar to the rise in the actual revenue budget. Alderman Smith stated to realize that I think is one of the reasons is the garages were in there for \$750,000, so forth. We didn't sell the garages. Mr. Clougherty stated you expected revenues to grown 6.74% and right now the performance through February is at a 3.08%, and that's the difference. Is that going to continue or are we going to see some of the growth in the spring go on. And

the other big thing that we always talk to you about as a concern of ours, are tax collections. If we saw something in the tax collection area tailing off we would be much more concerned, but we have not seen. I think the tax collections have been strong. In light of a strong growth, or the maintenance of a strong tax collection, in light of some of these other economic factors, that are affecting the economic factors, like the weather, we think that you've got a chance to maybe improve so that difference between what you have projected and what you actually end up with shrinks, so it's not as big a number that we have to deal, but that remains to be seen. And it's going to be offset in the expense line.

Chairman Shea stated during the recent snowstorm there was a disaster relief fund established for NH. Hillsborough was to receive a certain amount of disaster relief. Could you give us any insight? Are we going to get something from that fund because of snow removal? Mr. Sherman replied I would anticipate that we would, but I have not talked to Frank Thomas about the magnitude of that. But again, you're right, if we get something from that that does go into the revenues, to offset the expenses. Mr. Clougherty added we've gotten it in the past, so there's no reason to expect that we won't get it again.

Alderman Guinta asked could you expand on your comment when you said tax collections are higher or good. What do you mean by that? Mr. Clougherty replied what we're reporting to you here is on your non-property tax revenues. If you take a look at what funds the City, this is a small portion. It's taxes that really... And as we've talked about the rainy day in the past, our concern is if you see a decline in tax collections. Because if you go from a 98% tax collection rate, which is about where we are now. If your collection rate goes from 98% to 92%, that's \$9 million. And we're still holding at 98% and going strong. In light of that you're looking at this smaller dollar figure that we're dealing with that would hit, at the worse case scenario. So it won't be a big depletion that you are looking at. Alderman Guinta asked is part of your responsibility to take into consideration future economic forecasts? Mr. Clougherty answered yes. Alderman Guinta asked do you do that or do you rely on... Mr. Clougherty replied I do that. Each year as part of the budget process in we're in touch with all of the economic people in the state trying to get some information. We're constantly getting information from the big investment houses. We're constantly monitoring reports and trying to stay on top of what we feel is happening with the economy in giving you a projection. Alderman Guinta asked annually? Mr. Clougherty replied daily. Alderman Guinta asked so is it your assessment over the past quarter our economy is better. Mr. Clougherty replied no. Alderman Guinta asked worse? Mr. Clougherty replied I think it's flat. We've talked about this before Alderman. Alderman Guinta stated that's my point. If you're saying today that you think it's going to be flat... let me ask you a question. Is the price of gasoline between now and June going to hit \$2.00, do we think? Is there a good chance of that? Mr. Clougherty answered it depends on a lot of factors and the war. But me just explain

what I'm saying. What I'm saying about the economy...we're talking about the national economy. We're doing better than the nation economy locally here. Because there are some things that we're doing better than some other places. We've made some good investments in the airport and the area and that's helped us along with our tax base at the State to do things better. Alderman Guinta agreed absolutely. I've seen things going great in the region, but when it comes to next quarter, you're saying that our economy is flat, even though it's better than the rest of our comparative entities. How do we in a flat economy be responsible? Mr. Clougherty stated I think...when I'm about the economy, I'm talking about the national economy. I think we really are over the next several years in this 1970s type of an area. But I do think in the case of Manchester we are this little island. Now as I said last year, can you expect to grow six percent this year? I don't think you can. No. Do I think that next quarter we're going to see some of those people or some of that investments in car and things that we traditionally see in February, come in the spring? I think there's a good possibility of that. But if it doesn't, April 1<sup>st</sup> we're going to come back to you and say, you know what, we're not seeing it rebound and the last quarter we will take some actions. Alderman Guinta asked when do we meet in April as Committee. Mr. Sherman I believe it's April 15<sup>th</sup>. But we're going to meet sooner than because of the other item we talked about. The previous item of bringing in the departments to talk about their items. That first week in April is when you'll be having a meeting. Alderman Guinta stated so at that time...do we need to table this or move it and move forward. If you're saying that first week of April we'll know. Mr. Clougherty replied yes, because we're constantly monitoring this as we have over the last meetings bringing these discussions before this committee. It could be in the first week of April. We could put on an agenda item to deal with the bonds and to do this. And we'll bring you more current information. At that time you have the Mayor's budget and his recommendations and I think that's a better time to try and make some decision, because we'll have another full month numbers under our belt too.

On a motion of Alderman Lopez, duly seconded by Alderman Guinta, it was voted to receive the information that was provided by the finance officer.

Chairman Shea addressed item 7 of the agenda:

7. Discussion regarding the status of Riverfest.

Alderman Smith stated I'd like to have the assessor come up to find out what the figures are. Chairman Shea stated we're talking about Riverfest and asked Mr. Clougherty do you need the assessors for the Riverfest? Mr. Clougherty answered no.

On a motion of Alderman Lopez, duly seconded by Alderman Guinta, the item was moved for discussion.

Mr. Clougherty stated, as you know over the years the City has been engaged with helping the Riverfest Committee as it can to carry out its program. This last year has seen some problems for Riverfest. Their collections, their corporate donations are down considerably, and as a result they end the year owing the City about \$11,000. Also, going forward they faced with some choices that I think their committee has to make. They really don't have a site for Riverfest going forward the way that it's been growing. Arms Park is not available to them and Singer Park as you know is not going to be available. They just don't have a spot along the river and it's been conveyed to the Mayor and I with Riverfest officials that if the \$11,000 could be written off by the City, the Riverfest Committee would be looking to dissolve

Alderman Guinta stated I suspect they are going to dissolve regardless of what we do with the \$11,000, right? That seems to be apparent. Mr. Clougherty replied there's some legal issues that, if you want to get into them you may want to recess the meeting and talk to the Solicitor. But it's his recommendation as I believe was ours, is that the \$11,000 be considered to be written off and allow them to dissolve. At the same time under their by-laws it's our understanding any of their equipment and items come back to the City. They've provided us with a list of what those are. There are a lot of tables and chairs and things that they've used that could be used by the City for other events. Although we haven't gotten a complete physical inventory or assessment of it, it looks like it's something that would be offset of the \$11,000. Alderman Guinta asked is there a cost to house that equipment to the City. Mr. Clougherty answered there is none right now. Alderman Guinta asked do we house it now. Mr. Clougherty replied no it's housed in a trailer and we could actually take the trailer if you want to I believe.

Alderman Lopez asked Mr. Clougherty have they presented a letter. Mr. Clougherty replied no, it was a meeting with the Mayor. The Mayor had asked that I ask Alderman Shea to bring this before the Committee on Accounts because it's the Committee on Accounts that's the initiating committee for dealing with write offs and we thought that was appropriate. But we didn't want to discuss it just as part of the normal course, we wanted it to be separate and that's why we put it as a special item. We said that we would discuss this with the Committee so that we could get back to them with some feel as to what direction the Committee thought they should take. If the Committee gives us direction today there is an inclination to recommend the write off and we would get a formal letter from them and we would bring that in at the next meeting.

Alderman Lopez asked what did the City Solicitor say? Tom Arnold replied I attended the meeting. They did ask that it be written off. Quite frankly from what I heard I don't see where you have much opportunity to collect it anyway. I think it voted not to go forward with Riverfest this year and it doesn't look like there's going to be a future stream of income to pay that.



Alderman Lopez asked Mr. Clougherty did they know this when it was negotiated to buy out Singer Park, that they couldn't have added that \$11,000 on. Mr. Clougherty replied I'm not sure of your question Alderman. Alderman Lopez stated they've got what \$748,000 for Singer Park down there, to give the developer the right to build? Why wasn't that picked up and added on to the \$748,000... Mr. Sherman replied this wasn't dollars that the River Front Foundation owed anyone. Alderman Lopez stated no I understand that, but they owed us \$11,000. Mr. Sherman replied but it's a totally different group. Mr. Clougherty added ones the River Front Foundation; this is the Riverfest organization that puts on Riverfest. They are two separate organizations. Alderman Lopez answered I see, and that's the one Jane Beaulieu wants to take over. Mr. Sherman replied that's right. Alderman Lopez stated if we eliminate this on the Riverfest... Mr. Clougherty stated if you write off this debt my understanding is they would dissolve and then you could take these assets and assign them to a new committee and have them use that to carry on the program going forward. There's a lot of tables, infrastructure that you need to put on that type of event. Or if the City had something else through Parks, and it wanted to you could use it for that too. Alderman Lopez stated and you couldn't obligate it to somebody else to take it over anyway. They've been good for 20 years. They've served the purpose and I personally don't see any problem in doing it. Because you're not going get any money out of a rock and they just go away and some other organization takes over like Jane Beaulieu. I've read in the paper that she's maybe going to want to take over the organization. But I don't think she's going to want to pay us \$11,000, their debt. Mr. Clougherty replied right, I don't think you want them assuming that and I think that was the intent of this group as they'd like to dissolve but before they do that they want to have some inclination that the Board's willing to forgive the debt and take on the assets and move forward.

Alderman Smith stated I somewhat disagree. The reason why, Kevin, when somebody buys a piece of property and they owe the waterworks, the new person buying that piece of property, if he's going to buy it, has to make agreements with the one before or pay it all one lump sum. What I'm getting at is, every time it seems like we're bailing out somebody. It seems like every month there's somebody writing off somebody. One is the Police. It's all Police detail. \$10,000 has to come out of their budget, or however they work it out, I don't know, but it seems like you're always going after somebody and writing it off. Every month I come here and lately it's diminished a little bit, but there's probably \$3,000-\$5,000 write it off, write it off, write it off. In a period of two year since I've been here I'm sure we've written off probably a million dollars. Mr. Sherman stated the other thing I'd say before you vote to write this off, keep in mind that this is not the City's receivable in essence. The extra detail...when an officer works extra detail, he is paid before we collect. There was a period a number of years back and it's a good 10-12 years at this point, where the City did not pay the officer until we collected the dollars. And what the officers did is they actually added a dollar to their fee and contributed it to a fund so that they

could pay themselves as they worked the details and not wait for the collections. So, in essence, by writing this off you're writing off dollars that truly go back to the officer's fund when they're collected. So it's a little bit of a different situation. This won't hit our revenues, it will come out of their fund. Not that I'm saying that's a good thing, but that's just something to take into consideration when you're thinking about this.

Chairman Shea stated I'd like to pick up on Alderman Smith. I think that when people, in order to avoid certain situations, when people decide to form a group, there probably should be a stipulation that they have a contingency fund in place before they begin the operation in the event that certain shortfalls do occur. I think that probably somehow could be included in certain types of...either an ordinance or some kind of a statute or something so that the people coming have to have a certain amount of money before they begin. Because if they have something like Riverfest again, then the same problem might reoccur. So, the point is that if they have \$10,000 or \$15,000 before they begin their operation and they know that if they have a shortfall that money is going to be tapped into in order to reduce whatever money is left to pay for different expenses. That's something that I would suggest that the Finance Department possibly look into. Again, that would expand what you had indicated.

Alderman Smith stated apparently this has happened over a number of years with the \$10,000 figure that's owed to the Police Department. Am I correct? Mr. Clougherty replied no, my understanding is it's just for this last event that had occurred. Because they have been replenishing the City and paying us back over time. This last event that they had, although it was good weather, for example my understanding from the board members they ordinarily would take in about \$70,000 from corporate donations. This year they got \$9,000. Then again that's a product of the economy and things are going on where people are cutting back on some of those things and they just got caught in that vice. There's a combination of things that's put them into the situation they're in. And, again not having a venue was the driving force.

Alderman Lopez stated just a point I'd like to make because I'm very familiar with the organization, they've had a contingency fund but they've had to use it and they've come back, I know on two occasions maybe more, and asked us for start-up fund to have Riverfest because they used their contingency fund in order to pay for everything because they didn't have the revenues. Although I agree with you that's probably what happened, if they have contingency fund, a new organization takes over and that \$15,000 the first year wipes them out, they don't have any money. But in order to keep the program going for what's good for the community, they have on occasion come back and asked us for \$10,000 or \$15,000 and paid us back. Just to point that out.

Alderman Lopez moved that we write it off for the good of the community that they have served for the last 20 years. There was no second on the motion.

On a motion by Alderman Guinta, duly seconded by Alderman Smith, there was a tie vote to make every effort to collect the \$11,000. The motion failed with Aldermen Guinta and Smith voting in the affirmative and Aldermen Shea and Lopez voting against.

Chairman Shea stated that this just stays on the books until such time as...

Alderman Guinta stated you indicated that there was a legal ramification if we do not release them from this \$11,000. What is that legal ramification? Mr. Arnold replied my guess would probably be bankruptcy.

Alderman Lopez asked for clarification and I just want to make sure because I've been through this before and we keep it on the books, and we'll keep it on the books for three years. They go to bankruptcy and then we write it off three years down the road. Alderman Guinta replied and my point is, I don't think we should write it off now and I don't think we should write it off three years from now. If I don't want to pay my taxes, and I can't come up with the money, are you going to write it off three years from now? I agree with Alderman Smith. I have compassion for these entities that run out of money, but you know what, we're talking about a \$2.1 million potential problem. And as much as I would like to see Riverfest continue, it's clear it's going into a different direction and maybe if it is recreated, it will go in a different direction that the community can benefit from it. But I don't know that it's fair at this point I time to bail them out. I don't think it's fair to the situation that the City is in. I have every amount of compassion for the fact that they can no longer make a go of it, but I don't know that that absolves them of the right to pay their bills.

Chairman Shea asked would someone want to make a motion that we do everything, that they do everything possible to reimburse the City.

On a motion of Alderman Guinta, duly seconded by Alderman Smith, it was voted that the Riverfest committee pay back to the City as much money as they are able to.

Chairman Shea asked does someone want to bring up an additional matter.

Alderman Smith asked Steve Tellier to come forward. Thank you very much for all the information I received today Steve, I appreciate it. One question I do have, there's an individual here that owns probably 146 parcels that are appended and I wonder how they get in this situation. What's the story? Now that's quite a bit. 146 parcels of land and I can't even figure out how much money it is, but it's quite a bit of money,

and he's in for abatement pending? Mr. Tellier asked, are you referring to an individual that's representing...Alderman Smith replied yes representing. Mr. Tellier replied that's an individual, he's a tax rep and he's gone to all of those different businesses and advocated to represent them in an appeal. Generally...he gets a third of their savings. There's no cost to an entity by employing him. If he can save them some money in their taxes, then he makes his money and if there's no savings, he doesn't get paid. Alderman Smith stated I understand that, but it seems like 146 different...it seems unusual. I don't whether the individuals that he's representing just don't want to pay it and then have the money draw interest and when they have their abatement decided one way or the other, then they ante up. But 146 properties, that's quite a number for one representative. And I'm looking at this list... Mr. Tellier stated you're absolutely right. However, he's filling a niche that used to be filled by other tax reps. With taxes paying the bulk of services across the country, property taxes, everybody's looking at trying to reduce their bills and when you look at the line items on your bills, the tax bill is one of the largest bills that any entity has. So there's nothing to lose and everything to gain by hiring this individual. Alderman Guinta asked how can I hire him. Mr. Tellier replied you can call him up and he'll advocate for you and we'll battle it out with him.

Alderman Smith followed up could you give me right now...I don't want you to speculate, what you think or what you have for actual money received so far in taxes. Mr. Tellier replied that would have to be the Tax Collector that would have to answer that Alderman. Alderman Smith continued what figures can you give me, because last year we were misled. Mr. Tellier said you're talking about the tax base? Alderman Smith replied I would just like to know where we are now because we're four months away from a new budget. Mr. Tellier answered absolutely. We've indicated to the Mayor a very moderate, meager increase of \$10 million over the previous year's net assessed valuation. And what we're preparing right now is a very detailed report for the full Board of Mayor and Aldermen to outline how we're coming up with that. It's going to include residential growth, commercial growth, and the abatements that are still pending from 2001 and a detailed report...you've just received these reports as well as the detailed report of the 2002 appeals. Now the fact remains that as you've heard from the Finance Director, this economy is very soft. The housing market is still pretty strong. The problem is half of our value in the City belongs to less than 4,500 parcels of commercial, non-residential property. Office space, if you read last Sunday's paper, there was a pretty outgoing article that stated that they're exceeding 15% in vacancies. So the office market is very soft. So any growth in residential construction is offset by, or commercial construction, is still offset by these appeals. Now we've explained this in length to the Mayor. He's graciously approved of posting the vacant assessors position, which will help us. Any increase in tax base we have the residential construction, new construction, about 200 new homes. We have approximately 2,000 permits that I've broken down into a very simple format. We've got a number of non-residential, commercial/industrial new construction as well. But

we also have all of these abatements. Now any increase in the tax base is going to result in mitigating or adjudicating and completely these appeals in the most favorable we can for the City. Now the numbers we've attributed at this early stage is 10%. We still have about \$300 million under appeal for 2001. 10% of that is \$30 million. For 2002, we have...it's in your report and I hate to speculate...let me get in for you, for 2002 we have \$427 million under appeal. So, the fact remains that this is where the offset is. We might have...really in the City of Manchester approximately \$50 million in new growth relates to one percent. Alderman Smith said thank you and I appreciate you getting all of this information for me today. Mr. Teller stated again, please understand the letter that went out to you folks yesterday, that you'll probably receive today in your packets. We're preparing a rather concise short, but detailed report on residential growth, commercial growth and our abatements. Alderman Smith stated and it's going to be presented to all the Aldermen? Mr. Tellier replied all of the Aldermen. In fact, generally this committee is the committee that we answer to and if you do get together in early April, it could go there or it could go directly to the full board. We are under the purview of the Board.

Alderman Lopez stated I don't want to wait myself because three Aldermen have sent you a letter and I liked to get the answers to that. I would presume that you have most of the answers put together in writing so that we can analyze it. Can I ask you, what numbers have you given to the Mayor to work with? Mr. Tellier answered we gave him a number that's approximately \$10 million over last year's net assessed valuation. That's approximates about a nickel on the rate. It's very meager. However, I would echo Finance Director Clougherty's comments, is that our community is in a much better...it's whether we look at the glass as half full or half empty. We're still in a much better position than a great many cities out there of similar size and statute of Manchester. Alderman Lopez asked could you provide the Aldermen with the information about what you call \$10 million more than last year? You're indicated \$5,131,000 and you're adding \$10 million to that, so there'd be \$5,141,000? Mr. Tellier replied that's correct. And again, we've spent a great deal of time to establish a report that will firmly explain in a concise and detailed fashion on how we're coming up with our projections. Alderman Lopez stated you said \$427 million in abatements left? Mr. Tellier answered that's correct. Alderman Lopez asked what percentage do you think you're using to be successful abatements? Mr. Tellier answered we're using 10% percent at this point. In our residential, because the residential growth has been so profound, when there's an abatement granted in the residential, they're somewhere 3 – 8 percent perhaps. They're very nominal and most of them are corrections due to...maybe a correction on the sketch, bedroom, bathroom count, because we didn't get inside the property. That type of thing. But quite frankly in a revaluation, non-residential properties play a waiting game. They wait for the value to come out from the revaluation firm and if they think it's advantageous then they just accept the value and go forward. But if they don't like the value, then they submit their income and expense information to try to demonstrate that the value's too high. The State of NH

doesn't have any statutory mandate...that's being talked about at the legislative level. So it's a wait and see think with non-residential properties. Alderman Lopez stated I'm sure there's going to be many other questions to come once we get all of the information. Have you done any type of analysis...you think 10% is sufficient, because I did some of the abatements that you gave us and some of these abatements are 18%, 19%, 25%, 26%, 32%. Mr. Tellier replied very few of them are that high. Most of them are around 8-15% and a great deal of them, we feel there's no merit. Again, we're using 10% conservatively over the remaining balance of the Board of Tax and Land Appeals and the new ones that have just filed arbitrarily. It's going to incumbent upon us to aggressively pursue these and again this is a prime example of why this board voted to approve two additional appraisal positions in the Assessing Department. This funds over 70% of the budget. So we have to have a hammer. We have to have the additional help to do this. Alderman Lopez stated I'm going to wait for a lot of my questions until I get all of the information but I really think that and I commend you that you're going to represent to the Board because I think the Board needs to understand this whole process so that we don't run into problems. I really, really believe looking at the abatements that you've already given...What about that guy who has a bond with us, is he involved with these abatements. Mr. Tellier replied the revaluation firm is still currently bonded, that is accurate, and they're in deliberations with us on a lot of the appeals. But as I indicated to several Aldermen in the past, this City's Board of Assessors, when we've had a preliminary review work done by the revaluation firms appraisal staff, and then we've done additional review and analysis in house, they came out with a number that they would recommend a change, we did additional analysis and we found that our, through our negotiations we were able to settle at a much more advantageous number for the City as well. Alderman Lopez asked so you settled all the cases, the reval company had nothing to do with? Mr. Tellier replied they did have something to do with it. They did preliminary analysis on a great deal of these cases. We looked at the opinions of value and we went to work ourselves with additional citywide data and we felt we got a much better settlement deal with the appellant. We tried to save the City money reserving as much of the tax base...Alderman Lopez stated I'm gong to end it there. Just provide the information to the letter we sent you and if you can provide us the information that you sent to the Mayor so that we completely understand the numbers. Mr. Tellier replied absolutely.

Alderman Lopez stated I have a question for Tom. Chairman Shea asked Alderman Lopez, is this related to this matter or something else. Alderman Lopez replied something else. Chairman Shea said so basically the information that we received was for informational purposes.

Alderman Lopez stated I asked last time to look into permits. People who have permits as to whether they justify to lack of parking, like we do parking meters and we refer them to the collection... Mr. Arnold replied you did Alderman and I am still

researching that. Alderman Lopez asked can we get an answer thought, either that or we just make a decision and do it. Mr. Arnold stated I would anticipate at your next meeting I'll have an answer to you

There being no further business to come before the committee, on motion of Alderman Guinta, duly seconded by Alderman Smith, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee